

***“BASEC has made over 110 low interest business loans from 1996 to 2009 making access to capital easier and projects more feasible in the Enterprise Community”.***

## **BASEC’s HISTORY**

The Beadle and Spink Enterprise Community (BASEC) is a private, non-profit economic development corporation and is governed by a nine member volunteer Board of Directors.

BASEC was designated in 1994 on the federal level as an “Enterprise Community”. The “Enterprise Community Initiative” is a program designed to help distressed areas improve themselves. The initiative encourages leadership at all levels in the community.

The initial grant funds that accompanied this designation were provided by the United States Department of Agriculture. The Northeast South Dakota Community Action Program (NESDCAP) submitted the grant application on behalf of BASEC.

BASEC programs and funds encompass areas of housing, education, business, agriculture, health, rural development and community leadership.



## **BASEC’s BUSINESS LOAN PROGRAM HIGHLIGHTS**

BASEC has several loan programs utilizing various funding sources such as USDA’s Intermediary Relending Program and the Rural Business Enterprise Grant Program. Additionally, BASEC has developed its own revolving loan program utilizing the initial Social Service Block Grant from the Enterprise Community Initiative.

BASEC offers direct loans to borrowers and or certificate of deposits (CD) pledges toward the business loan at the borrower’s lending agency.

BASEC is flexible in financing business projects. Following are some of the program guidelines for eligibility that BASEC must abide by:

- The loan funds must be used for the purchase, start-up, or expansion of a business within the BASEC geographic area. The communities eligible are Iroquois, Cavour, Yale and Hitchcock in Beadle County and Doland, Frankfort and Tulare in Spink County.
- Direct loans from BASEC typically will not exceed \$150,000 maximum or 75% of the total project cost. Currently 5% is the interest rate set by the BASEC Board of Directors.

- Applicant must show repayment ability.
- Applicant must be willing to participate in business management consulting with the South Dakota Small Business Development Center or similar agency.
- Because of the various funding sources, there may be other program specifics regarding eligible projects. BASEC staff will assist in determining what funding source would be appropriate for your business project.
- Typically, BASEC funds cannot be used to refinance business loans but there are a few exceptions allowed by USDA program guidelines.
- The Board of Directors meet the 3rd Wednesday of every month. BASEC Board of Directors make the determinations for loan approval.
- Completed application packets must be in the BASEC office 10 days prior to the board meetings.
- Contact the BASEC office for an application and program details.

### **TECHNICAL ASSISTANCE**

***If you do not know if your project is eligible for BASEC funding, contact the BASEC staff.***

***BASEC staff will assist finding an appropriate funding source for your project.***

## **BASEC's BUSINESS CD PLEDGE PROGRAM GUIDELINES**

This BASEC program involves the purchase of a certificate of deposit (CD) at the applicant's lending agency. BASEC's CD will be pledged as collateral for a business loan that will make possible for business start-up or expansion. The actual loan dollars come from the lender.

No CD purchased for this purpose will exceed \$50,000 per business. The CD will never represent more than 50% of the loan amount.

Arrangements will be made with the lending agency but in general the portion of the loan made by the lending agency will be made at market interest rates and the portion made based on the purchase of BASEC's CD will be made at rates somewhat in excess of the interest rate paid on the CD but below the conventional loan rate. The overall result will be a below market rate "blended" loan.

**Example of Rates:** *A typical loan would work as follows: normally the lending agency would lend BASEC's share of the loan out at 2% over one year's CD rate (7%) giving the borrower the benefit of an overall reduced blended interest rate of about 9% (banks 50% at 11% and BASEC's 50% at 7% = 9%). \* Please realize that these rates change frequently but the example illustrated is the concept of this program.*

## **BASEC's VISION, MISSION, AND VALUES**

### **Vision**

Healthy, vital communities with the capacity to produce results they care about.

### **MISSION**

Promote and support community improvement efforts

### **VALUES**

Economic Self Reliance  
Community Involvement  
Cooperation and Partnerships



**For more information on  
this and other  
BASEC programs contact:**

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USDA, Director, Office of Civil Rights,  
Washington D.C. 20250-9410

# **BUSINESS LOAN PROGRAMS**

***Funding Opportunities for  
the following business  
related projects:***

- *Purchase of buildings*
- *Purchase of commercial lots*
- *Purchase of equipment*
- *Working capital*
- *Construction costs*
- *Business expansions*
- *Business repairs*
- *Business modernization*
- *New business start-ups*
- *Technical assistance*

**Beadle & Spink  
Enterprise Community**